



To: Indiana Housing Finance Authority Board of Directors
From: Sheryl Sharpe, Wendy Landes, Erika Scott, Tom Daly
Date: March 21, 2000
Re: HOME Administrative Subrecipient Agreements

Periodically, IHFA receives proposals from not-for-profit organizations to serve as a subrecipient to IHFA in administering a portion of the State's HOME Investment Partnerships Program (HOME) activities.

In general, these activities have a statewide impact and serve to further the Authority's efforts in one or more of the following areas:

- Providing public information to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HOME funds
- Affirmatively furthering fair housing
- Compiling data in preparation for the State Consolidated Plan
- Complying with other Federal requirements such as affirmative marketing, minority outreach, environmental review, displacement, relocation, and acquisition, labor standards, lead-based paint, and conflict of interest

IHFA staff respectfully recommends the following four HOME subrecipient awards totaling \$604,000.

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| Indiana Association for Community Economic Development (IACED) |
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| SR-00-01 |
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| HOME Funds Requested: | \$474,711.52 |
| HOME Funds Recommended | \$475,000.00 |

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| Subrecipient Activity: | HOME Trainings and Capacity Building |
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IACED is a statewide not-for-profit member organization, founded in 1986 to serve and represent community-based development organizations working on behalf of disadvantaged populations in Indiana. The organization's mission is to facilitate community economic development in rural, small city, and urban areas so that all citizens of Indiana communities will have access to opportunity for growth and development.

The current three-year training and technical assistance subrecipient agreement between IACED and IHFA will be complete as of June 30, 2000. IACED is seeking to renew this agreement for a second three-year term to continue to provide trainings targeted at public agencies and/or not-for-profit organizations that are eligible to receive funds through the HOME program.

IACED has conducted over 120 days of training over the past 3 years in areas relating to housing project development and developing successful economic development projects. Through the previous HOME award, IACED has conducted approximately 29 trainings targeted at existing and potential HOME grantees. Over the next three-year period, the organization has proposed trainings that cover a variety of topics relevant to the HOME program including, but not limited to, an overview of HOME regulations, housing development finance, project structuring, lead-based paint, environmental review, labor standards, relocation, and fair housing.

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| Indiana Coalition on Housing and Homeless Issues, Inc. (ICHHI) |
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| SR-00-02 |
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| HOME Funds Requested: | \$25,000.00 |
| HOME Funds Recommended | \$25,000.00 |

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| Subrecipient Activity: | Update Statewide Continuum of Care |
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ICHHI is a statewide association dedicated to the right of all Indiana citizens to safe, decent, and affordable housing and necessary supportive services. The Coalition acts as a unifying entity for community-based organizations, assisting individuals and local organizations in development of affordable housing and supportive service programs and strategies.

In the mid-1990s, the U.S. Department of Housing and Urban Development (HUD) introduced the concept of the homeless Continuum of Care, a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness. HUD has made McKinney Act funds available to states and local communities to support projects meeting needs identified in their Continuums. Additionally, a statewide comprehensive Continuum of Care includes information pertinent to addressing special needs populations within the State Consolidated Plan, as required by HUD.

In 1998, Indiana developed its first Continuum of Care and successfully applied for nearly \$4.5 million in funding for 13 homeless projects. In 1999, the State updated the Continuum of Care and received \$4.95 million in funding. In both of these efforts, IHFA served as the State sponsor for local project applicants, and ICHHI facilitated the development of the statewide Continuum of Care and prepared the State application for the McKinney Act funding.

ICHHI proposes for a third year to oversee the process to strengthen the current statewide Continuum of Care and to prepare a grant application on behalf of IHFA for submission to HUD. ICHHI intends to concentrate efforts on strengthening the State Continuum by developing a Regional Continuum of Care approach and by involving more people in the Continuum of Care process.

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| HOME Funds Requested: | \$32,000.00 |
| HOME Funds Recommended | \$32,000.00 |

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| Subrecipient Activity: | Update First Home Acquisition Limits |
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CRES was established by the Indiana University Kelley School of Business in 1985 to provide a comprehensive real estate resource, serving as a vehicle for interaction between faculty, students, alumni, professional organizations, and others with an interest in real estate. Its mission is to act as a focal point for research, education, and service activities relating to the field of real estate.

CRES proposes to perform an analysis to update the single-family acquisition limits for IHFA's First Home program. CRES was the first university research center to develop a statewide Housing Affordability Index, which required the gathering and analysis of residential sales data from across the State of Indiana. In 1987, CRES began the Housing Affordability Index and continued to provide this service until 1998.

CRES has proposed a two-phase approach to the analysis. The objective of Phase One will be to secure a comprehensive sample of sales data for each of the 40 "highest priority" counties identified by IHFA. CRES has budgeted \$4,500 for the completion of Phase One. At the conclusion of Phase One, IHFA staff will review the data collected by CRES to determine its usefulness in meeting IRS requirements. Upon staff approval, CRES will then begin Phase Two to gather, compile, code, and format sales data. The cost for Phase Two will be \$12,500 if staff requests that CRES focus only on the 40 highest priority counties, or \$27,500 if they are asked to provide sales data on all 92 Indiana counties.

The First Home program acquisition limits were last updated by the IRS, using FHA data, in 1994. Some counties have limits for existing home purchases that are as low as \$66,680. The IRS regulations for Mortgage Revenue Bonds (MRBs) allows states to use current and more comprehensive data to update these acquisition limits. In 1991 and 1992, IHFA, with Bond Counsel approval, established updated limits by utilizing the IU CRES Housing Affordability Index. Increasing the acquisition limits now will allow IHFA to provide MRB financing and HOME downpayment assistance for low- and moderate-income homebuyers in areas of Indiana that are currently unable to access our program due to the low limits.

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| HOME Funds Requested: | \$72,063.00 |
| HOME Funds Recommended | \$72,000.00 |

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| Subrecipient Activity: | Homeownership Education Program |
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SIRDP is a not-for-profit 510(c)(3) organization that serves 34 Southern Indiana counties and seeks to improve the economies of rural Southern Indiana. SIRDP's mission is to develop and implement strategic approaches for long-term economic growth and development of the region.

In October 1997, IHFA and Cinergy/PSI provided funding to the Southern Indiana Rural Development Project (SIRDP) to create *Live the Dream... Own a Home*, a homeownership education program. Since that time, this homeownership curriculum has been used throughout the state, with 76 classes having been held for 1,417 Hoosiers in 122 communities.

The *Live the Dream... Own a Home* initiative received national recognition as a recipient of HUD's Best Practice Award in July 1999. To follow-up to the success of *Live the Dream... Own a Home*, SIRDP would like to evaluate and update the program. They are requesting HOME funds to:

- Print and distribute additional trainer and participant manuals (SIRDP provides the manuals to counseling organizations free of charge.)
- Survey homeownership counseling organizations and clients to determine ways in which the classes could be improved and to track the course's impacting on homeownership
- Redesign and update the manual per recommendations from trainers and others
- Conduct targeted training/educational classes for banks in Southern Indiana
- Conduct additional training classes for potential class coordinators

In addition to IHFA's involvement in this initiative, SIRDP anticipates that Cinergy/PSI and Bank One will also participate in this continuation of the *Live the Dream... Own a Home* initiative.